

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE <div style="text-align: center;">J</div>		PAGE OF PAGES <div style="text-align: center;">1 14</div>	
2. AMENDMENT/MODIFICATION NO. P00001		3. EFFECTIVE DATE 23-Dec-2010		4. REQUISITION/PURCHASE REQ. NO. 1300174830		5. PROJECT NO.(If applicable)	
6. ISSUED BY CODE COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND 02 CONTRACTS 4301 PACIFIC HIGHWAY SAN DIEGO CA 92110-3127		N00039		7. ADMINISTERED BY (If other than item 6) DCMA BOSTON 495 SUMMER STREET BOSTON MA 02210-2138		CODE S2206A SCD: C	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) HYDROID, INC. 6 BENJAMIN NYE CIR POCASSET MA 02559-4900				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. N00039-10-C-0085			
				X 10B. DATED (SEE ITEM 13) 07-Sep-2010			
CODE 4Z5A9		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
X D. OTHER (Specify type of modification and authority) Mutual agreement of the parties.							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: terrellk11133 The purpose of this modification is to revise Sections B, F, H, I and J of the contract as set forth herein.							
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) KAREN RAINVILLE / CONTRACTING OFFICER TEL: 858-537-0423 EMAIL: karen.rainville@navy.mil			
15B. CONTRACTOR/OFFEROR _____ (Signature of person authorized to sign)		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)		16C. DATE SIGNED 23-Dec-2010	

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The following have been added by full text:

The purpose of this modification to Contract N00039-10-C-0085 is to:

1. Revise Clause B-1, Milestone Performance Incentive, in Section B from 6 MACA to 7 MACA for CLINs 0001 and 0003.
2. Edit Clause 5252.245-9201, Government Furnished Property in Section H as follows:
 - a. Delete Preliminary LBS UUV TRPPM
 - b. Change the date of LBS-UUV NTSP from 1 MACA to Feb. 2011
 - c. Change LBS-UUV ILSP to LBS-UUV LCSP
 - d. Change the date of LBS-UUV LCSP from 1 MACA to Feb. 2011
 - e. Add UNISEPS, EPMA, LBA-AUV TEMP, and LBS-AUV ULSS
3. Add FAR Clause 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (July 2010) to Section I.
4. Delete DFARS 252.225-7014 and Alt I, Preference for Domestic Specialty Metals from Section I.
5. Add DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals (July 2009) from Section I.
6. Delete 252.232-7007, Limitation of Government's Obligation from Section I.
7. Exhibit A, updated to Version 1.2, dated 16 November 2010
 - a. - A044 - Changed LMI Summaries from 3 MAC to 6 MAC
 - b. - A045 - Changed ILSP to LCSP
 - c. - A047 - Deleted TRPPM
 - d. - A049 - Simplified required NIMS Data Elements
 - e. - A050 - Changed Spares List from 30 days before CDR to 30 days after CDR.
 - f. - A073 - Add Critical Item List
 - g. - Changed all CDRLs from Distro C to D.
8. Attachment 1, SOW updated to Version 1.4, dated 16 November 2010
 - a. Update the SPS version number in paragraph 2.0.
 - b. Update the SEP version number in paragraph 2.0.
 - c. Modified paragraph 3.1.5 to update Telelogic to IBM.
 - d. Modified paragraph 3.12.1 to update LBS-UUV TEMP to LBS-AUV TEMP.
 - e. Modified paragraph 3.14.1 to update ILSP requirement to a LCSP requirement and delete requirement for TRPPM comments.
 - f. Modified paragraph 3.14.3 to add a requirement for a Critical Items List.
 - g. Modified paragraphs 3.14.11.1 and 3.14.11.2 to delete requirement for TRPPM comments.
9. Delete Small Business Subcontracting Plan, dated 20 May 2010, and replace with revised Small Business Subcontracting Plan, dated 12 November 2010.

SECTION B - SUPPLIES OR SERVICES AND PRICES

The following have been modified:

B-1. MILESTONE PERFORMANCE INCENTIVE**DETERMINATION OF INCENTIVE FOR MILESTONE PERFORMANCE (Applicable to CLINs 0001 and 0003)**

- (1) The total potential Milestone Performance Incentive that may be earned for timely and successful completion of all milestone events is 4% of the target cost of CLINs 0001 and 4% of the target cost of CLIN 0003. A Milestone Performance Incentive is not guaranteed in part or in whole. Unearned fee for any completed milestone shall not be rolled over to another milestone or any other fee arrangement under this contract. The Milestone Performance Incentive determination and payment for CLINs 0001 and 0003 are for accomplishment of defined events. Such determination and payment does not constitute inspection and/or acceptance of products and services provided with the performance of such event and does not excuse the Contractor from performance of obligations under this contract.
- (2) The combined target fee and incentive fee pools under CLINs 0001 and 0003 are 9.98% and 10% respectively. The maximum for all fees under these CLINs is 14%.
- (3) Milestone Performance Incentive payments are unilateral contract actions. The Contractor shall be paid a Milestone Performance Incentive, if any, upon submittal of a proper invoice or voucher to the cognizant payment office, together with a copy of the modification to the contract authorizing payment of the fee for the applicable milestone. The Contractor's invoice must cite the appropriate accounting data in order for payment to be effected.
- (4) The Procuring Contracting Officer (PCO) will award the Milestone Performance Incentives on a pass/fail basis.
- (5) Milestones: Completion Dates and Fee Amounts:

The following table lists the milestones and their corresponding successful completion requirements as well as the potential fees.

Milestone	Successful Completion Date (in MACA)	Fee Pool (as percentage of Target Cost for CLIN 0001 and 0003)
CLIN 0001		
1. Critical Design Review	NLT 7 MACA	(b)(4) (1.0%)
2. Deliver Total Required AUV EDMs	NLT 19 MACA	(b)(4) (1.0%)
3. Developmental T&E	NLT 19 MACA	(b)(4) (1.0%)
4. Total System Performance	NLT 19 MACA	(b)(4) (1.0%)
		(b)(4) 8 (4.0%)
CLIN 0003		
1. Critical Design Review	NLT 7 MACA	(b)(4) (2.0%)
2. Deliver Total Required Transponder Navigation Function EDMs	NLT 19 MACA	(b)(4) (2.0%)
		(b)(4) (4.0%)

MACA = Months after contract award

NLT = No Later Than

TBC = To be calculated

- a. Exit Criteria for Successful Completion of Each Milestone:

The following table provides the exit criteria the Government will use to determine successful completion of each milestone.

<u>Milestone</u>	<u>Exit Criteria</u>
Critical Design Review (CDR)	All CDRs successfully complete. Successful completion of the CDRs is achieved when all the following exit criteria are met: <ul style="list-style-type: none"> a) System and subsystem level reviews conducted; b) All action items closed or documented in a plan of closure; c) Product Baseline established; d) Government approval of the associated deliverables: System and Subsystem Specifications, System Requirements Verification Matrix (SRVM), Product Drawings, Interface Control Drawings, and Software Design Descriptions.
AUV and Transponder Navigation Function EDM Delivery	Development of all products outlined in the respective CLINs complete and delivered to the Government by the required contractual delivery date in Section F.
Developmental Test and Evaluation (DT&E)	Successful completion of the System DT&E is achieved when the following exit criterion are met: Successful verification of system performance and integration with a T-AGS 60 ship at NAVOCEANO.
Total System Performance	Based on the results of DT&E of the developmental AUV systems and subsystems, the Contractor meets or exceeds 100% of the key performance parameter (KPP) values.

(6) **Milestone Payment Calculation**

- (a) If the contractor successfully passes an incentive milestone on or before its scheduled due date, they shall receive 100% of the above fee pool corresponding to that milestone as indicated in the milestone fee pool table.
- (b) If the contractor successfully completes the milestone after its scheduled due date, the milestone payment will be reduced as follows:

Calendar Days Late	Schedule Payout as Percentage of the Milestone Payout
0	100%
1-7	75%
8-14	50%
15-28	25%
29 or more	0%

- (7) When the end date for any deliverable or event occurs on a day when the Government is not open for business related to such deliverable or event, the required end date shall be the next available Government business day. Unless otherwise stated, all references to “days” in this contract are to be considered calendar days.
- (8) The Government, not the Contractor, is the sole determinant as to whether the Contractor has successfully completed the exit criteria for each milestone. With regards to each milestone, the Government shall

determine fee no later than 30 days after Government final approval of the last applicable CDRL due under the milestone exit criteria*.

*In the event that no CDRLs are required for a milestone event, the date the Contracting Officer's Representative (COR) issues a letter to the Contractor of their determination that the Contractor has finished all activities associated with such milestone event to the degree there is suitable evidence for the Government to make a determination of whether successful completion of milestone exit criteria has occurred. The COR shall issue such letter within seven (7) days after the Contractor finishes the last activity associated with the milestone event.

(End of clause)

SECTION F - DELIVERIES OR PERFORMANCE

The following have been added by full text:

DELIVERY INFORMATION

F-302 TIME AND PLACE OF DELIVERY--F.O.B. DESTINATION (DEC 1999)

Destination and delivery schedule are set forth below:

ITEM	DESTINATION	QUANTITY	DELIVERY SCHEDULE
CLIN	Supplies/Services	Location	Delivery Schedule
0001	EDM AUV System	SSC-Pacific	19 MACA
0003	EDM AUV Transponder Navigation Function	SSC-Pacific	19 MACA
0005	Data	IAW CDRLs	IAW CDRLs
1001	AUV Vehicle	SSC-Pacific	12 MAOE
1003	AUV Ship-set (without vehicle)	SSC-Pacific	12 MAOE
1005	AUV Transponder Function	SSC-Pacific	12 MAOE
1008	Data	IAW CDRLs	IAW CDRLs
1009	Spares	NAVOCEANO	TBD
1010	Functional Development Eng. Services	IAW TDL	IAW TDL
1011	Engineering & Support Services	IAW TDL	IAW TDL
1012	Operation & Maintenance Support Services	IAW TDL	IAW TDL
1013	ODC	IAW TDL	IAW TDL
2001	AUV Vehicle	NAVOCEANO	12 MAOE
2003	AUV Ship-set (without vehicle)	NAVOCEANO	12 MAOE
2005	AUV Transponder Function	NAVOCEANO	12 MAOE
2008	Data	IAW CDRLs	IAW CDRLs
2009	Spares	NAVOCEANO	TBD
2010	Functional Development Eng. Services	IAW TDL	IAW TDL
2011	Engineering & Support Services	IAW TDL	IAW TDL
2012	Operation & Maintenance Support Services	IAW TDL	IAW TDL
2013	ODC	IAW TDL	IAW TDL
3001	AUV Vehicle	NAVOCEANO	12 MAOE

3003	AUV Ship-set (without vehicle)	NAVOCEANO	12 MAOE
3005	AUV Transponder Function	NAVOCEANO	12 MAOE
3008	Data	IAW CDRLs	IAW CDRLs
3009	Spares	NAVOCEANO	TBD
3010	Functional Development Eng. Services	IAW TDL	IAW TDL
3011	Engineering & Support Services	IAW TDL	IAW TDL
3012	Operation & Maintenance Support Services	IAW TDL	IAW TDL
3013	ODC	IAW TDL	IAW TDL
4001	AUV Vehicle	NAVOCEANO	12 MAOE
4003	AUV Ship-set (without vehicle)	NAVOCEANO	12 MAOE
4005	AUV Transponder Function	NAVOCEANO	12 MAOE
4008	Data	IAW CDRLs	IAW CDRLs
4009	Spares	NAVOCEANO	TBD
4010	Functional Development Eng. Services	IAW TDL	IAW TDL
4011	Engineering & Support Services	IAW TDL	IAW TDL
4012	Operation & Maintenance Support Services	IAW TDL	IAW TDL
4013	ODC	IAW TDL	IAW TDL
5001	AUV Vehicle	NAVOCEANO	12 MAOE
5003	AUV Ship-set (without vehicle)	NAVOCEANO	12 MAOE
5005	AUV Transponder Function	NAVOCEANO	12 MAOE
5008	Data	IAW CDRLs	IAW CDRLs
5009	Spares	NAVOCEANO	TBD
5010	Functional Development Eng. Services	IAW TDL	IAW TDL
5011	Engineering & Support Services	IAW TDL	IAW TDL
5012	Operation & Maintenance Support Services	IAW TDL	IAW TDL
5013	ODC	IAW TDL	IAW TDL

(End of clause)

The following have been modified:

5252.245-9201 GOVERNMENT FURNISHED PROPERTY (MAR 2002)

The Government will provide only that property set forth below, notwithstanding any provisions of the specification(s) to the contrary:

DESCRIPTION	QUANTITY	DATE	LOCATION	PROVIDED "AS IS" (YES/NO)
Launch and Recovery Vessel	1	At DT&E	TBD	Yes
HVAC of facilities	1	At DT&E	TBD	Yes
Pier-side crane service	1	At DT&E	TBD	Yes
LBS-UUV Security Classification Guide	1	1 MACA	N/A	Yes
LBS-UUV NTSP	1	Feb 2011	N/A	Yes

LBS-AUV Program Schedule	1	1 MACA	N/A	Yes
LBS-UUV System Engineering Plan	1	1 MACA	N/A	Yes
LBS-UUV LCSP	1	Feb 2011	N/A	Yes
Risk Management Plan	1	1 MACA	N/A	Yes
Configuration Management Implementation Plan	1	1 MACA	N/A	Yes
LBS-UUV PESHE	1	1 MACA	N/A	Yes
LBS-UUV Human Systems Integration Plan	1	1 MACA	N/A	Yes
DoD Iridium Leases	As Required	As Required	N/A	Yes
UNISIPS	1	Jan 2011	N/A	Yes
EPMA	1	Jan 2011	N/A	Yes
LBS-AUV TEMP	1	2 weeks before PDR	N/A	Yes
LBS-AUV ULSS	1	May 2011	N/A	Yes

SECTION I - CONTRACT CLAUSES

The following have been added by reference:

52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	JUL 2010
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	JUL 2009

The following have been deleted:

252.225-7014 (Dev)	Preference for Domestic Specialty Metals (Deviation 2008-O0002)	JUN 2005
252.225-7014 (Dev) Alt I	Preference for Domestic Specialty Metals Alternate I (Deviation 2008-O0002)	OCT 2007
252.232-7007	Limitation Of Government's Obligation	MAY 2006

SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

The following have been modified:

SECTION J - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

Exhibits:

Exhibit A – Contract Data Requirements List (CDRL) A001 through A072, Version 1.2, dated 16 November 2010

Attachments:

Attachment 1 – LBS-AUV Statement of Work (SOW), Version 1.4, dated 16 November 2010

Attachment 2 – LBS-AUV System Performance Specification (SPS), Version 1.2, dated 04 May 2010

Attachment 3 – DD Form 254, Security Classification

Attachment 4 – CLIN/SOW Matrix

Attachment 5 – Small Business Plan, revised 12 November 2010

Attachment 6 – Allotment of Funds

Attachment 7 – Hydroid's End User License Agreement (EULA)

(End of Summary of Changes)